

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 89-627-C - ORDER NO. 90-792 ✓  
AUGUST 17, 1990

IN RE:	Request of Horry County Council	)	ORDER
	to Develop E-911 Service for the	)	DENYING
	Citizens of Horry County.	)	REQUEST

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of a Request received on December 18, 1989, filed on behalf of Horry County Council for a public hearing concerning the development of E-911 service for Horry County with GTE South (GTES) and Horry Telephone Cooperative (Horry Co-op). The Horry County Council requested a hearing to review additional telephone billing capabilities to offset the County's E-911 costs.

After this matter was filed, the Commission determined that a public hearing should be held in this matter. Thereafter, the hearing was held on June 17, 1990, in the Commission's Hearing Room, the Honorable Caroline H. Maass, presiding.

Horry County Council was represented by Thomas A. Boland, Sr., Esquire; Steven W. Hamm, the Consumer Advocate for the State of South Carolina (the Consumer Advocate) was represented by Carl F. McIntosh, Esquire; GTES and Horry Co-op were represented by M. John Bowen, Jr., Esquire, and Elizabeth A. Holderman, Esquire; and

Marsha A. Ward, General Counsel, represented the Commission Staff.

Horry County presented testimony of the following witnesses: James R. McGee, Orangeburg County Council; James H. Schafer, Darlington County Administrator; M. L. Love, Jr., Horry County Administrator; Danny Knight, Horry County Assistant Administrator; and Thomas L. Staub, Jr., former Horry County E-911 planner. Mr. Edward McDaniel testified on behalf of the Laurens County Council. GTES presented the testimonies of Fred A. Walters, Esquire, and Tony Lamer. Burman H. Jones, Jr., testified on behalf of Horry Co-op.

Based on the evidence presented to the Commission in this matter, the Commission makes the following findings of fact and conclusions of law:

1. That Horry County Council is requesting the Commission to allow GTES and Horry Co-op to collect through the monthly billing mechanism the additional personnel and related costs on annual basis to Horry County to implement E-911 service of approximately \$642,883.

2. That this \$642,883 additional cost represents costs associated with additional personnel and related costs needed by the County to deploy the E-911 system installed by GTES.

3. That if such charges are not allowed to be included on the Horry County subscribers' telephone bill, the County alleges it will have to collect these monies through some form of increased taxes or a new tax.

4. That the Commission has allowed and the telephone

companies are collecting from the subscribers additional charges representing the telecommunications costs incurred by the telephone utility in providing this service to the County.

5. That Horry County, GTES and Horry Co-op entered into an agreement for the provision of E-911 service by GTES and Horry Co-op. This agreement outlined the cost for the service which would be charged to the local subscriber through the monthly billing mechanism. The additional personnel costs which will be incurred by Horry County were not specifically included in this agreement.

6. That Horry County's E-911 personnel budget is \$642,883 for the fiscal year 1990, but Horry County is only requesting that an additional 28 cents per month be charged to each subscriber for the County's E-911 costs (It would take a monthly charge of \$0.63 per subscriber for the County to collect the \$642,883 on a yearly basis). This would be in addition to the monthly E-911 telecommunications charges, both recurring and non-recurring, associated with the provisions of the service by GTES and Horry Co-op. The County wishes to add only 28 cents initially, so that the total charge on the customers' bill for E-911 service would not be more than \$1.00 per month per subscriber. At the end of the eighteen months, GTES and Horry Co-op's non-recurring charge would be paid by the subscribers and eliminated from the monthly bill. At that time Horry County would intend to increase the monthly E-911 subscriber charge an additional 28 cents per month to include another portion of its personnel related costs.

7. That Horry County contends that it may pass through to the subscriber the County's costs for additional employees through the following provision contained in GTES' tariff:

Further, at the request of such user, the Company will also bill recurring charges for said 911 Service and/or equipment pro rata to the local exchange subscribers served by the 911 Service on an exchange basis (up to a maximum of 25 exchange lines per account). Such charges shall also include all reasonable costs associated therewith.

8. That the Commission is being requested to interpret what "all reasonable costs associated therewith" means.

9. The Commission is aware that this provision is approved in the filed tariff of GTES. The Commission has jurisdiction over the rates and charges that GTES provides for its regulated telecommunications activities.

10. The provision of E-911 or 911 services by a telephone utility and the billing and collection thereof are the type of regulated activities that would be included within the Commission's jurisdiction. Because this tariff provision relates to telecommunications services provided by the telephone utility, the phrase, "all reasonable costs associated therewith" relates to all reasonable telecommunications costs provided by the telephone utility. This would not include personnel and other related costs incurred by Horry County in staffing the positions necessary to provide the E-911 service to its citizens.

11. It is important to note that Horry County is the E-911 subscriber. Therefore, the tariff provision applies to all

reasonable telecommunication costs associated with the provision of E-911 service to the subscriber, Horry County, by the telephone utility. The charges associated with call taker salaries or other county incurred costs which, as supported by other witnesses before the Commission, could include such things as mapping and addressing, road signs, building renovations, etc. These are not "reasonable telecommunication costs" but are costs solely related to the county's provision of the E-911 service, not the telephone utility's provision of the service. These are two very separate and distinct costs.

12. The Commission notes that E-911, while a valuable service to the residents of any area which has implemented this service, is an optional service. A county or municipality chooses to provide this service to its constituents. While the Commission is aware that some counties may face significant costs associated with the provision of this service, particularly aerial photography, new employees, mapping charges, these are costs that the County assumes, whether knowingly or not, when it decides to go forward with a 911 system. The Commission further notes that as testified to during the hearing, that the aerial maps and addressing done by some counties to provide E-911 service also benefit other county entities. The benefit goes not only to the provision of E-911 service but also to law enforcement agencies, health agencies, utility providers, and many others.

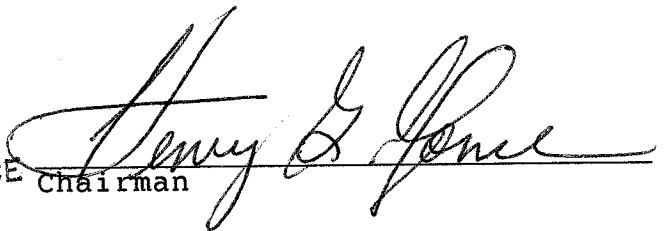
13. Further, the Commission finds that call taker salaries are not a recurring operating expense related to the telephone

company costs and should be more properly supported by the budgeting process of Horry County.

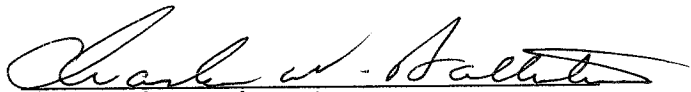
14. Based on the above findings, the Commission concludes that it should not require the collection of the county associated costs of any portion of the personnel or any other county-related cost of providing E-911 service to be collected through the subscriber telephone bill by GTES or Horry Co-op.

15. Therefore, the request of Horry County Council to add personnel related costs to the E-911 subscriber billing is denied.

BY ORDER OF THE COMMISSION:

  
VICE Chairman

ATTEST:

  
Executive Director

(SEAL)